

Stakeholder dialogue



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better
world

Stakeholder dialogue

We communicate with our stakeholders to understand their opinions and needs.

No formal process is used to identify stakeholders, but over time it has become clear that six groups are particularly crucial to the success of our business:

- Customers
- Employees
- Suppliers
- Shareholders
- Partners
- Community.

Our customers are key stakeholders and keeping them satisfied is vital to our continued success. We conduct more than 3000 face-to-face interviews with residential customers every month to assess customer satisfaction with BT. Feedback from these surveys helps us to improve our service. Our Promises Campaign commits us to keep our promises to customers by providing the services they require on time.

In addition to communicating with the stakeholders listed above, we also regularly engage with organisations on major issues which have, or will have, an impact on BT's business. In the 2005 financial year, we worked alongside the Confederation of British Industries, the RAC Foundation and the University of Bradford on a study into the role of broadband in beating congestion. We hold quarterly meetings with the UK Environment Agency and meet twice a year with our two unions, the Communications Workers Union and Connect, to discuss a range of environmental issues. We are members of the European Telecommunications Network Operators Association (ETNO) environment forum and the UK Council for National Parks corporate forum. We organise focus groups with employees from across the business, looking at BT's environmental performance and how to ensure our policies and communication are consistent and effective.

For more information on how we manage the environment, see [Environment](#).

Our [Statement of Business Practice, The Way We Work](#), sets out the aspirations and commitments which apply in our relationship with each stakeholder group.

The more positive and mutually beneficial these relationships are, the more successful our business will be.

Here we discuss:

- The various ways we engage with the different stakeholder groups
- Our Leadership Panel
- Stakeholder influence.

You can also provide feedback on our social and environmental performance by emailing us at yourviews@bt.com.

Corporate social responsibility is how we as a company contribute to the wider societal goal of sustainable development. To meet this commitment we must balance the needs of our stakeholders with the benefits to our business of acting responsibly. Our responsibility is to identify, understand and then manage our social and environmental impacts. An integral part of this is to develop good relationships with our stakeholders and to be transparent and accountable in our daily work.

Stakeholder engagement

We engage with our stakeholders in many ways and learn from them all the time. This engagement has become increasingly important to us as a business. We describe in the individual stakeholder sections our relationships with particular stakeholders, their evolution, and the related policies and decisions we have taken as a consequence of these relationships.

Customers

- Consumer Liaison Panels
 - Surveys of customers on quality of service and future expectations
 - Telecommunications Advisory Committees.
- ### Employees
- Our annual employee survey
 - Relationships with trade unions
 - European Consultative Works Council.

Suppliers

- Our annual supplier satisfaction survey
- Ethical trading forums with key suppliers and industry colleagues.

Shareholders

The [Investors](#) section of our report was developed following close consultation with analysts specifically interested in the social and environmental performance of companies.

BT always values feedback from shareholders and aims to inform investors of the issues we face. More details can be found in [Services for Shareholders](#).

Partners

Find a description of our relationship with joint ventures and wholly owned subsidiaries on social and environmental issues in our [Statement of Business Practice](#). Our approach to integrity and ethics with our partners was formalised in the 2005 financial year and is now integral to our due diligence.

Community

An annual MORI survey of our stakeholders (the general public) tells us that education should be a top priority for our social investment. Further, our annual employee survey ranks education third behind 'new technology' and 'helplines'. The community section describes how we manage and distribute this investment.

Leadership Panel

The Leadership Panel is an external advisory group of experts renowned for excelling in their field. The panel has five members:

- Jonathon Porritt, Chair of the Panel and Director of Forum for the Future, a UK sustainable development think-tank
- Mark Goyder, Director, Centre for Tomorrow's Company, a UK think-tank
- Rob Lake, Head of SRI Engagement and Corporate Governance, Henderson Global Investors
- Elizabeth Laville, Director of Utopies, a Paris-based sustainability consultancy
- Jorgen Randers, Professor at the Norwegian School of Management, Oslo.

The purpose of the panel is to encourage innovation and leadership on sustainable development and corporate social responsibility in BT. It meets four times a year and provides independent guidance and expert advice.

Its responsibility covers key areas of CSR strategy and performance, including policy, performance measures, targets, future objectives, governance, stakeholder relationships and external communications.

The panel provides an annual [independent comment](#) for this website.



Stakeholder dialogue continued

Stakeholder influence

It is important to be clear about what BT is trying to achieve with each stakeholder group and to deepen our understanding of what they expect from us.

This is why our [Statement of Business Practice The Way We Work](#), sets out the specific aspirations and commitments that apply in our relations with our customers, employees, shareholders, partners, suppliers and communities.

BT's performance against these specific principles, aspirations and commitments can be found via our [site index](#) based on the [Statement of Business Practice](#).

It is difficult to make direct links between a specific consultation exercise and a particular company decision.

But we try to show, in the various sections of this site, how specific stakeholder groups do influence BT's policy, strategy and practice.

For example, we show:

- How a Consumer Liaison Panel in Manchester informed our action to lessen the impact of [premium rate service \(PRS\)](#) numbers on our customers through initiatives such as free call barring and warning advertisements on the BT website.
- How BT managers work with their teams to carry out action plans based on the results of our annual employee survey. The introduction of an Employee Engagement Index will help highlight the impact of key issues on the performance, motivation and engagement of [BT employees](#).
- How our Statement of Business Practice was sent to all direct suppliers after our supplier questionnaire revealed a lack of awareness of the way BT works. We also organised a stakeholder workshop with one of our partners in the Global e-Sustainability Initiative, Vodafone, to improve the way we engage with stakeholders, especially NGOs, in the [supply chain](#).
- How stakeholder dialogue was used in the selection of [non-financial key performance indicators](#)
- How a seminar about radio frequency identification (RFID) with our Leadership Panel has led to the commissioning of a new Hot Topic, [Privacy in the Digital Networked Economy](#).

Influencing BT's Social and Environmental Report

Stakeholder consultation has significant bearing on the content of this report.

Hot Topics

Using robust selection criteria approved by our Leadership Panel, we analyse various opinion polls, BT's stakeholder consultations (such as our Consumer Liaison Panels) and press coverage to identify topical issues of concern to BT and society that will interest, engage and educate the reader. As a result, [Privacy in the Digital Networked Economy](#), [Abuse of the Internet](#) and [Good Migrations?](#) have been included among our [Hot Topics](#).

Previous Hot Topics selected in this way included [Virtual Vice](#) and [Modern Communications and Quality of Life](#).

Indicators

In June 2003, we established a small number of non-financial key performance indicators (KPIs) to provide an overview of BT's social and environmental performance. It followed a consultation exercise involving report users, such as investors, customers and employees, and outside experts, such as the BT Leadership Panel.

We review our KPIs on an annual basis and, as we reach target deadlines and the business changes, we introduce new indicators. In the 2005 financial year, one new indicator was added and two existing KPIs were changed:

- Health target (in addition to our safety target to reduce accidents)
- Employee Engagement Index (EEI) in the annual employee survey (replacing the People Satisfaction Index)
- Ethics Performance Measure (replacing the Awareness of Business Practice target).

We will review all KPIs in the 2006 financial year.

In deciding what other indicators to use in the report, we chose to follow the 2002 Global Reporting Initiative (GRI) Guidelines. As a multi-stakeholder initiative, these guidelines provide the most comprehensive and independent insight into the interests and concerns of our stakeholders. We also follow the pilot version of the Global Reporting Initiative Telecommunications Sector Supplement.

Other content

When defining the content of each section of this report, we consider carefully the results of consultation activities. For example, the [Investors](#) section was developed following close consultation with analysts specifically interested in the social and environmental performance of companies. The [Customers](#) and [Employees](#) sections cover issues that we know to be of concern to these groups, such as services for customers with special needs and our call centre reorganisation programme.

Since June 2003 our verifiers have assured our report against the AA1000 Assurance Standard.

The underlying basis of this standard is inclusivity. It requires our report to reflect the interests and concerns of stakeholders, both in its content and in terms of demonstrating BT's response to these issues.

More details on how we have applied AA1000 Assurance Standard are found in the [About the Report](#) section of this report.

